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## Prepared Testimony by Rep. André Jacque before the Assembly Committee on Urban and Local Affairs concerning AB 326

October 25, 2011

Chairman Brooks and fellow committee members,

Thank you for holding this hearing on Assembly Bill 326, which would create a legislative Joint Committee on State Mandates. This bill serves as a complement to Assembly Joint Resolution 46, passed unanimously by this committee just a few weeks ago, and which I mentioned at the initial public hearing for that proposal. Similar to AJR 46, this proposal will restrict the enactment of new unfunded mandates on local government, restraining either house of the legislature from passing a bill that imposes a requirement on any local governmental unit in this state, unless the bill contains an appropriation that reimburses the local governmental unit for the full cost of complying with the requirement.

The Joint Committee on State Mandates would consist of three majority party and two minority party members from each house. At least one member of the majority party of each house who is appointed to the committee must also be a member of the Joint Committee on Finance. AB 326 contains essentially identical language to 2003 SB 15, which passed both houses of the legislature and was vetoed by former Governor Jim Doyle.

Under this proposal, any bill placing a statutory requirement on a local governmental unit must be referred at once to the committee and the bill may not be considered further until the committee submits a report. If the committee's report concludes that the bill has a negative uncompensated fiscal effect on local governmental units, and the mandate is a wholly state—imposed, this bill requires the committee to offer an amendment appropriating funds to offset the cost of compliance. If an enacted mandate is not funded, either upon passage or in the future, the mandate may not be enforced until it is funded. The bill also applies to unfunded mandates created via administrative rule promulgation by state agencies. This legislation directs the Legislative Fiscal Bureau to identify all mandates for the committee, other than ones having a minimal fiscal effect, and the bill also requires the committee to review and evaluate existing mandates through investigations and hearings, an area not able to be addressed by AJR 46.

This bill provides strong protection for taxpayers. Unfunded mandates, and the costs associated with them, have accumulated over time and add elements of complexity and inflexibility to government operations that stifle local control. At the very least, local governments should not be expected to implement laws and regulations without the funding necessary to do so. If we mandate it, then we should fund it. If we can't afford to, we shouldn't expect local government to cut the check.

Thank you for your consideration, and I welcome your questions and ideas.



## TESTIMONY BEFORE THE ASSEMBLY COMMITTEE ON URBAN AND LOCAL AFFAIRS

Assembly Bill 326 – Mandate Review October 25, 2011

Thank you Chairman Brooks for scheduling Assembly Bill 326 for a public hearing. First, some background on past efforts to enact legitimate mandate reform: This legislation was first introduced in 2003, when it was approved by both houses of the legislature on a voice vote, but was vetoed by the Governor. A veto override attempt failed. I reintroduced this legislation in 2005 and 2007.

I believe this legislation will once and for all put some muscle where our mouth is. That is, we will help state and local governments reevaluate the programs that will be funded by local and state governments. The long-term goal of this critical piece of legislation is to provide Wisconsin homeowners with a property tax break.

The relationship between state and local governments is not an exciting topic, but that does not mean it is not important. After all, the efficient use of tax dollars is at the heart of this matter, and whether it is a state or local tax, they still come from the pocketbooks of hard-working taxpayers.

For decades, levels of government have 'passed the buck' and told lower units of government what to do. For example, the state tells your county government that it must arrest and incarcerate people who violate their state-ordered probation or parole. However, the state does not adequately compensate your county for the costs incurred by complying with the mandate, it just makes the demand.

Too often, the state views local government as its agent. We expect local units of government to provide services or administer programs, but too often we do not give them the funding to do so. Local units of government are limited in their ability to raise revenue on their own, so they are in a bind. That can and must change.

It is important to note that while this bill has teeth, and is a marked improvement over current state law, many of the committee's eventual actions may or may not be supported by the entire legislature. The new statute created under this bill will continue to give final approval for the complete funding or complete dissolution of a mandate to the legislature.

Thank you for allowing me to testify by letter on behalf of this important reform initiative.